

AMENDED IN SENATE MARCH 23, 2006

SENATE BILL

No. 1195

Introduced by Senator Alquist

January 24, 2006

An act to amend Sections 8263.1 and 8447 of the Education Code, relating to child care.

LEGISLATIVE COUNSEL'S DIGEST

SB 1195, as amended, Alquist. Child care: regional market rates.

The existing Child Care and Development Services Act establishes a comprehensive system of child care and development services for children to age 13 and their parents through full- and part-time programs. Existing law defines the term "income eligible" for purposes of determining the eligibility of a family to participate in those programs.

~~This bill would revise that definition to require the annual adjustment of the monthly income of a family to reflect~~ *require the State Department of Education, in any year in which reliable data regarding the state median income adjusted for family size, is not available, to adjust the income eligibility criteria for purposes of those programs according to* changes in the Consumer Price Index, as specified.

Existing law provides that funds appropriated for purposes of the Child Care and Development Services Act may be used for alternative payment programs. Existing law provides that alternative payment child care systems are subject to the rates established in the Regional Market Rate Survey of California Child Care Providers for provider payments. Existing law requires the State Department of Education to

contract to conduct and complete the annual Regional Market Rate Survey, as specified.

This bill would require the department to include in the Regional Market Rate Survey a statistical sample of licensed child care rates that is sufficient to establish a statistically valid and reliable means for determining the cost of child care for specified age groups in each county. The bill would also require the department to adjust the rates from the most recent Regional Market Rate Survey to reflect the changes in the most recent Consumer Price Index, as specified, for any year in which a new Regional Market Rate Survey is not produced.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 8263.1 of the Education Code is
2 amended to read:

3 8263.1. (a) For purposes of this chapter, “income eligible”
4 means that a family’s adjusted monthly income is at or below 75
5 percent of the state median income, adjusted for family size, and
6 adjusted annually ~~for changes in the most recent Consumer Price~~
7 ~~Index, as published by the United States Department of Labor.~~
8 The income of a recipient of federal supplemental security
9 income benefits pursuant to Title XVI of the Federal Social
10 Security Act (42 U.S.C. Sec. 1381 et seq.) and state supplemental
11 program benefits pursuant to Title XVI of the Federal Social
12 Security Act and Chapter 3 (commencing with Section 12000) of
13 Part 3 of Division 9 of the Welfare and Institutions Code shall
14 not be included as income for the purposes of determining
15 eligibility for child care under this chapter.

16 (b) *In any year in which reliable data regarding the state*
17 *median income, adjusted for family size, is not available, the*
18 *department shall adjust the income eligibility criteria for*
19 *purposes of this chapter according to changes in the most recent*
20 *Consumer Price Index, as published by the United States*
21 *Department of Labor.*

22 SEC. 2. Section 8447 of the Education Code is amended to
23 read:

1 8447. (a) The Legislature hereby finds and declares that
2 greater efficiencies may be achieved in the execution of state
3 subsidized child care and development program contracts with
4 public and private agencies by the timely approval of contract
5 provisions by the Department of Finance, the Department of
6 General Services, and the State Department of Education and by
7 authorizing the State Department of Education to establish a
8 multiyear application, contract expenditure, and service review as
9 may be necessary to provide timely service while preserving
10 audit and oversight functions to protect the public welfare.

11 (b) The Department of Finance and the Department of General
12 Services shall approve or disapprove annual contract funding
13 terms and conditions, including both family copayment schedules
14 and regional market rate schedules that are required to be
15 adhered to by contract, and contract face sheets submitted by the
16 State Department of Education not more than 30 working days
17 from the date of submission, unless unresolved conflicts remain
18 between the Department of Finance, the State Department of
19 Education, and the Department of General Services. The State
20 Department of Education shall resolve conflicts within an
21 additional 30 working day time period. Contracts and funding
22 terms and conditions shall be issued to child care contractors no
23 later than June 1. Applications for new child care funding shall
24 be issued not more than 45 working days after the effective date
25 of authorized new allocations of child care moneys.

26 (c) With respect to subdivision (b), it is the intent of the
27 Legislature that the Department of Finance annually review
28 contract funding terms and conditions for the primary purpose of
29 ensuring consistency between child care contracts and the child
30 care budget. This review, shall include evaluating any proposed
31 changes to contract language or other fiscal documents to which
32 the contractor is required to adhere, including those changes to
33 terms or conditions that authorize higher reimbursement rates,
34 that modify related adjustment factors, that modify
35 administrative or other service allowances, or that diminish
36 copayment revenues otherwise available for services, to
37 determine if the change is necessary or has the potential effect of
38 reducing the number of full-time equivalent children that may be
39 served.

(d) Alternative payment child care systems, as set forth in Article 3 (commencing with Section 8220), shall be subject to the rates established in the Regional Market Rate Survey of California Child Care Providers for provider payments. The State Department of Education shall contract to conduct and complete the annual Regional Market Rate Survey with a goal of completion by March 1.

(1) The department shall include in the Regional Market Rate Survey a statistical sample of licensed child care rates that can be used to establish a statistically valid and reliable means for determining the cost of child care for children in the following age groups in each county:

(A) Birth to two years, inclusive.

(B) Three to five years, inclusive.

(C) Six to 12 years, inclusive.

(2) The department shall adjust the rates from the most recent Regional Market Rate Survey to reflect any changes in the most recent Consumer Price Index, as published by the United States Department of Labor, for any year in which a new Regional Market Rate Survey is not produced.

(e) By March 1 of each year, the Department of Finance shall provide to the State Department of Education the State Median Income amount for a four-person household in California based on the best available data. The State Department of Education shall adjust its fee schedule for child care providers to reflect this updated state median income.

(f) Notwithstanding the June 1 date specified in subdivision (b), changes to the regional market rate schedules and copayment schedules may be made at any other time to reflect the availability of accurate data necessary for their completion, provided these documents receive the approval of the Department of Finance. The Department of Finance shall review the changes within 30 working days of submission and the State Department of Education shall resolve conflicts within an additional 30 working day period. Contractors shall be given adequate notice prior to the effective date of the approved schedules. It is the intent of the Legislature that contracts for

- 1 services not be delayed by the timing of the availability of
- 2 accurate data needed to update these schedules.

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